### EX PARTE OR LATE FILED



ORIGINAL

March 30, 1994

William F. Caton Acting Secretary Federal Communications Commission Room 222 1919 M St., NW Washington, D.C. 20554

> EX PARTE PRESENTATION Re:

CC Docket No. 92-77

DOCKET FILE COPY ORIGINAL

Dear Mr. Caton:

Today, Leon Kestenbaum and I met with Richard Metzger, Gary Phillips, Mark Nadel and Roxanne McElvane to discuss billed party preference. Sprint's comments and handouts (attached) were consistent with points raised in its pleadings on this issue in the above-captioned proceeding.

An original and one copy of this letter are being filed.

Sincerely,

Norina Moy

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Director, Federal Regulatory Policy and Coordination

R. Metzger (w/o attachment)

G. Phillips (w/o attachment)

M. Nadel (w/o attachment)

R. McElvane (w/o attachment)

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# BILLED PARTY PREFERENCE

## **BPP Benefits Consumers**

- Will focus competition where it belongs -- on consumers instead of premises owners -- and lower prices to consumers
- 0+ Dialling results in increased convenience to consumers
  - Fewer digits
  - Uniformity
- BPP will restore customer confidence in making away-from-home calls

# **BPP Enhances Competition**

- Present system favors dominant carrier -synergy between premises-owner presubscription and ease of use of calling cards
- BPP allows all IXCs to offer convenient 0+ dialling to their customers
- Level playing field for calling cards enhances competition in 1+ presubscription market as well

# **BPP Promotes Efficiency**

- Intoduction of new technologies
- Greater use of automated call handling
- Greater ease for consumers in using public phones
- Reduction in consumer queries and complaints to LECs, IXCs, FCC and state PUCs

## Important Issues

- I. Card numbering: no carrier group should monopolize any numbering format
- II. Scope: BPP should be implemented as widely as possible to reduce customer confusion and reduce unit costs
- III. Cost recovery: need to avoid incentive to opt out of BPP to increase competitors' costs or risk stranded investment by LECs

# I. CARD NUMBERING: IXCs SHOULD BE ABLE TO ISSUE BTN+4 CARDS IN BPP ENVIRONMENT

- Under BPP, consumers should be able to implement their choice of carrier as conveniently as possible.
- O+dialling, combined with BTN+4 card format, is optimal for this purpose.
- No carrier group should have a monopoly on this numbering format.
- 14-digit screening in LIDB should not significantly increase costs of BPP.
- Administrative issues (fraud control, etc.) of loading IXC-issued cards in LIDB are workable.

- II. BPP SHOULD BE IMPLEMENTED AS WIDELY AS POSSIBLE, INCLUDING intraLATA CALLS (EXCEPT WHERE STATES HAVE PROHIBITED intraLATA COMPETITION ALTOGETHER).
  - Maintains simple and uniform dialling plans for consumers.
  - Maintains functionality of value-added features offered by IXCs.
  - Reduces unit costs of BPP by spreading them over a larger volume.

- III. COST RECOVERY: COSTS INCREMENTAL TO BPP SHOULD BE ASSESSED AS BROADLY AS POSSIBLE, e.g., BY A CHARGE PER PRESUBSCRIBED LINE OR A SEPARATE LOCAL SWITCHING CHARGE ON ALL MOU.
  - BPP benefits all consumers for both card and other operator service calls.
  - Need to avoid creation of an incentive for an IXC to opt out of BPP and thereby increase competitors' cost burden or risk stranded costs for LECs.
  - Optimum method of recovery would be a per-call charge on 0+, 0and access-code calls, but attempting to measure access-code calls would pose problems for LECs. Per-line charge is simplest to administer and reflects fact that BPP benefits all subscribers.